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MEMORANDUM FOR: Executive Director-Comptroller

SUBJECT : Report of the Overtime Committee

REFERENCE : Memo dtd 17 July 68 for DD/I, DD/P, and DD/S&T
fr DD/S, subj: Overtime Policy and Its Application
(DD/S 68-3610)

1. This memorandum suggests action on the part of the Executive Director-Comptroller; this action is contained in paragraph 2.

2. Attached is a copy of the report of the inter-Directorate Overtime Committee which I set up per the reference. I believe that these recommendations are sound and recommend your favorable consideration even though we recognize that the primary recommendation runs contrary to a considerable body of history and well sifted prior decisions.

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[Redacted Signature Box]

R. L. Bannerman

Deputy Director
for Support

Att

Memo dtd 4 Apr 69 for DD/S fr Chairman and Members
of the Overtime Committee, above subj (DD/S 69-1543)

cc: Inspector General, w/cy of Att

4 APR 1968

MEMORANDUM FOR: Deputy Director for Support

SUBJECT : Report of Overtime Committee

REFERENCE : Memo dtd 17 July 68 for DD/I, DD/P, and DD/S&T
fr DD/S, subj: Overtime Policy and Its Application
(DD/S 68-3610)

1. This memorandum constitutes the report of the inter-Directorate Overtime Committee which was established per the reference. In a series of meetings the Committee members reviewed and discussed current Agency overtime policy and its interpretation and application by and within Directorates.

2. Committee conclusions can be summarized as follows:

a. No organization-wide difficulties exist which demand solution.

b. Variations in interpretation and application of the present overtime regulations do exist as between Directorates and internally within Directorates.

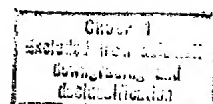
c. The Agency is sufficiently mature that overtime can and should be managed rather than regulated.

d. The "eight-hour rule" -- the donation of the initial eight hours of overtime worked by personnel GS-11 and above -- should be eliminated.

e. If the eight-hour rule is not eliminated, present regulations must be revised to:

(1) Specify the handling of overtime worked by personnel GS-11 and above occupying "production" positions; and

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(2) Raise the "production" breakpoint from GS-10/11 to GS-11/12.

f. Overtime costs can and must be controlled.

3. The eight-hour rule was most carefully considered from its conception to present application. The Directorates, polled through Committee representatives, were unanimous in favoring elimination of the "rule" and amending Agency regulations to conform to standard U. S. Government overtime laws and regulations. On the other hand, no Directorate identified any situation which makes essential the elimination of the eight-hour rule or makes it impossible to live with the present policy. Important to the conclusion within each Directorate was the belief that the Agency could and must establish strict management controls over overtime authorization and approval. The DD/P went further and favors the sub-allotment of funds to components, both Headquarters and field, to assure budgetary control over overtime payments. The Directorates expressed real concern over the Agency's consistent approval of "squeaky wheel" or "blackmail" claims rather than face legal challenges to its overtime policy and regulation, while withholding remuneration from the dedicated employee who does not challenge the "system". Strongly voiced also was the view that our "new generation" personnel do and will question the validity of donating directed overtime, especially at points in their careers when personal financial needs are so important. Additionally, mention was made of indicators, such as in the Daniels Bill, pointing to the significance of full payment for overtime in connection with computation of retirement entitlements.

4. The Committee found that statistics on overtime, particularly as related to the eight-hour rule, are not available and cannot be produced, largely because components have not attempted to compile and record donated overtime. Elimination of the eight-hour donation can be expected to result in increased overtime costs for personnel, GS-11 and above, who are performing production-type duties and currently receiving payment for overtime hours worked in excess of eight per week or overtime assignments where no employee discretion can be exercised. Strict dollar and management controls should minimize this increase and hopefully will result in fewer total hours of overtime worked Agency-wide even though more are compensable. Despite cost implications, Committee members, representing their Deputy Directors, positively favor adoption at this time of clear-cut, easy-to-administer and equitable overtime policy and procedure.

5. With respect to production positions and overtime compensation, Committee discussions surfaced the fact that our present regulation omits earlier provisions for dealing with production-type positions or situations to which personnel in grades GS-11 and above are assigned. Should the eight-hour rule not be deleted, the regulation must be changed to specify the handling of overtime for higher graded "production" personnel. Another aspect of the "production" position problem is the loss of income to individuals who are promoted to GS-11 but who continue to perform the same duties. While this problem has existed for some time, it is increasingly widespread as categories of production positions are upgraded. One evidence of this is the current recommendation from the Director of Communications to raise the regulatory breakpoint between production and executive positions from GS-10/11 to GS-11/12. Again, if the eight-hour rule is not eliminated, correction of this inequity by regulatory change is indicated.

6. The Committee recommends that:

a. [] be amended to eliminate the requirement for donation of initial eight hours of overtime by personnel at GS-11 or higher grades and to emphasize positive management controls on overtime. The attached first draft of suggested regulatory changes was produced by the Director of Personnel -- it would require polishing and coordination before publication.

b. If recommendation a., above, is not approved, paragraph [] be amended to set the grade of GS-11 as the normal cutoff for production-type positions and to provide for overtime for "production" personnel at grades GS-12 and above.

Att

Draft []

Page Denied

25 April 1969

MEMORANDUM FOR: Executive Director-Comptroller

SUBJECT : Report of the Overtime Committee

1. The principal recommendation of the Overtime Committee would rescind the rule that paid overtime for GS-11's and above does not commence until eight hours overtime has been "donated". In some components, some employees in these grades have been required to work overtime on a fairly consistent basis to get the job done (the so-called "production workers" in Cable Sec, FBIS, OCI, IAS, NPIC, CRS, OCS, Security, Logistics, Training and Commo). The question arises, then, what will the cost be if the eight-hour rule is lifted?

2. As regards the over-all suggested change -- I believe we are well advised to make our regulations and practices consonant with the law as the paper points out in para. 3.

3. Mr. Coffey is technically correct when he says (first sentence, para. 4) that statistics on donated overtime are not available; however, rough estimates can be -- and have been -- produced. [redacted] of O/PPB, who assisted the Overtime Committee in its work, has assembled a battery of data on this subject . . . rough approximations, true, but at least offering a point of departure. STAT

4. If we assume that (1) line commanders exercise the firm control on overtime visualized in the Committee's report and in the draft revision of [redacted] and (2) the general run of GS-11's and above will continue (in the language of the draft revision) "to organize their work in such a manner that directed (i.e., paid) overtime is unnecessary" -- then our calculations suggest that the eight-hour rule could be rescinded at a cost less than \$500,000 -- perhaps substantially less. STAT

5. The Committee members have worked hard on this problem and O/PPB, of course, has no intention of "second guessing" them. At the same time, if you return the paper to the DD/S as per your stated inclination, we will be happy to assist in any way we can. *

[redacted]
John M. Clarke
Director/PPB STAT

Orig - D/PPB
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* *James can provide you a breakdown of how we arrived at*